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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001845

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SUBJECT: DEFENSE SECRETARY DISCUSSES VFA, WASHINGTON VISIT
AND ELECTION PROSPECTS WITH AMBASSADOR

Classified By: Ambassador Kristie A. Kenney, reason: 1.4 (b and d).

SUMMARY

¶11. (C) In a one-on-one breakfast August 28, Secretary of National Defense Gilberto Teodoro told the Ambassador that Senator Miriam Santiago was exploiting recent media attention to the U.S.-Philippine Visiting Forces Agreement in an effort to win left-wing backing for her Senate run. Teodoro voiced concern about President Arroyo's failure to anoint her party's candidate for the presidency in 2010, noting this was causing him to maintain political support at his own expense, even though he did not know whether he would be a candidate. He expressed his hope for excellent consultations during his early September visit to the U.S., including with Secretaries Gates and Clinton, CIA Director Panetta and former President Bush. Teodoro discussed the jockeying of Marine Corps Commandant Juancho Sabban for a higher position and worried that the upcoming election would complicate counterterrorism operations on Jolo island. The Ambassador explained U.S. interest in supporting the Philippine government's peace process with the Moro Islamic Liberation Front (MILF). Teodoro also explained his recent visit to Syria was an outgrowth of growing Philippine-Syrian ties, while he noted the Syrians appeared to want to use the Philippines to strengthen relations with the U.S. End Summary.

VFA

¶12. (C) In a four-eyes breakfast hosted by Secretary of National Defense Gilberto Teodoro August 28, the Ambassador asked Teodoro's view of the controversy over the U.S.-Philippine Visiting Forces Agreement (VFA) (septel). Teodoro opined that Senator Miriam Santiago, who convened an August 27 hearing on the VFA, had taken up the issue with an eye toward her 2010 run for reelection. Santiago aimed to garner both media exposure and financial/political support from Philippine leftists. Teodoro noted that he had not attended the VFA hearing out of concern that he would become the administration's main representative, a prospect he clearly did not relish.

¶13. (C) Teodoro also rejected the public allegations by Nancy Gadian that U.S. troops engaged in combat and other inappropriate acts (septel). Teodoro said that Gadian, who has been reported by the media to be no longer in the Armed Forces of the Philippines (AFP), in fact remained subject to military discipline. The AFP was examining its options for legal action against Gadian.

PRESIDENTIAL POLITICS

¶4. (C) The Ambassador asked Teodoro's view of the maneuvering by candidates in advance of the 2010 presidential election. Teodoro, appearing agitated, expressed frustration with President Arroyo's failure to anoint the candidate of her Lakas-Kampi-CMD party. Teodoro, who is widely considered in the running for the Lakas nomination despite low ratings in public opinion polls, said he felt he was being kept in the dark and strung along. Arroyo might rely instead on Vice President Noli de Castro, or she might seek to form an alliance with Senator Manny Villar. Meanwhile, Teodoro was expending his own funds to keep himself in the running, and the uncertainty was stressful for himself and his family. He added that his wife, Representative Monica Prieto-Teodoro, had come in for increasing criticism from the media. The Ambassador acknowledged the difficulties of running for office while simultaneously holding a critical Cabinet job. She said it was important to keep the military out of politics; Teodoro nodded in agreement.

U.S. TRIP

¶5. (C) Teodoro expressed his appreciation for recent U.S. help, including efforts to advance Philippine Defense Reform and resolve problems with malfunctioning mortar shells. He spoke enthusiastically of his upcoming visit to the U.S. He said he hoped to thank Secretary Gates for his support, and hoped to meet also with Secretary Clinton and CIA Director Panetta. He hoped to call on former President Bush in Texas (although the Philippine Embassy in Washington had informed him that Bush was not receiving foreign officials). Aside

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from meetings, he hoped to deliver some speeches and lay a wreath at Arlington National Cemetery.

MINDANAO PEACE AND COUNTERTERRORISM

¶6. (C) The Ambassador explained USG support for the peace process between the Philippine government and the Moro Islamic Liberation Front (MILF), expressing hope that both sides would demonstrate the flexibility and will to make substantial progress. Teodoro, who has repeatedly expressed more hawkish views on Mindanao than President Arroyo, did not appear enthusiastic, remarking that he could not imagine a legal solution that would make peace possible.

¶7. (C) Teodoro added that he was currently focusing his counterterrorism efforts on the island of Basilan, the scene of recent heavy fighting between Philippine troops and the terrorist Abu Sayyaf Group (ASG). He said the 2010 election would complicate counterterrorism operations, making specific reference to Jolo island. He voiced very negative comments regarding Marine Corps Commandant Juancho Sabban, who most recently headed the Western Mindanao Command, saying Sabban had managed to profit personally from deals made in connection with the recent ASG kidnapping of International Committee of the Red Cross workers. Sabban was overwhelmingly ambitious, Teodoro said, aiming to become AFP Chief of Staff. Sabban reportedly was working through Senator Rodolfo Biazon, a former Marine and one-time Armed Forces chief of staff, to undercut potential rivals Major General Ben Dolorfino and Rear Admiral Alexander Pama. Also, Sabban worried he might be upstaged by Brigadier General Rustico Guerrero, commanding officer of the First Marine Brigade in Basilan, soon moving to take command of Task Force Comet in Jolo.

SYRIA REACHING OUT

¶8. (C) Teodoro also mentioned his early August visit to Syria, saying this reflected the Philippines' increasingly close ties to Syria. He also acknowledged, though, that the Syrians clearly hoped Manila could help them to build a

better relationship with the U.S. He mentioned in frustration, however, that although President Arroyo had directed that he make that trip, she had said after his return to Manila that he ought instead to have spent his time in rural areas of the Philippines, to build grassroots support for his potential presidential candidacy.

COMMENT

¶9. (C) Teodoro was clearly discouraged about his unclear political standing; he even mentioned he might hope to move on to an academic position at a U.S. university. While he has many strong qualities -- keen intellect, excellent speaking skills, strong grasp of policy -- that could make him a capable President, at this moment his standing in opinion polls (currently low single digits) make it hard to see how he could become a viable candidate. Oblique comments from senior advisors to President Arroyo, such as Executive Secretary Eduardo Ermita, suggest President Arroyo may be looking for a stronger standard-bearer.

KENNEY